

## Enterprise Fund Expenditures

Enterprise Funds account for specific services that are funded directly through user fees. Examples of these funds include Water, Metropolitan Wastewater, Development Services, Refuse Disposal and Recycling. Typically these funds are intended to be fully self-supporting and are not subsidized by the General Fund. The Annual Fiscal Year 2003 Budget for Enterprise Funds is \$680.3 million.

### Water

The Water Department's Annual; Fiscal Year 2003 Budget reflects a net decrease of \$45.0 million from Fiscal Year 2002. The annual budget was developed to conform to the Water Department's proposed finance plan, while maintaining current service levels. Significant budget reductions include:

• Capital Improvements Program	(\$43.6 million)
• Water Purchases	(\$ 6.3 million)
• Various Non-Personnel Expenses	(\$ 2.2 million)
• Budget Savings Plan	(\$ 2.5 million)
• Unallocated Reserve	(\$ 1.3 million)
Total	(\$55.9 million)

The Department's annual budget reflects increases totaling \$11.0 million, which have been offset by the reduction efforts outlined above. Included in the increase are personnel additions of 3.00 positions to support capital projects and conduct various maintenance activities and 1.00 position to support the Citywide online Geographic Information System (GIS) project site identification system. Significant increases include:

• Bond Debt	\$ 7.7 million
• Non-Discretionary Cost Increases	\$ 0.9 million
• Aquifer Quality Protection	\$ 1.1 million
• Other Program Additions	\$ 1.3 million
Total	\$11.0 million

The Water Department's Annual Fiscal Year 2003 Budget is based on water rate increases of six percent per year for five consecutive years beginning July 1, 2002. These increases were necessary to continue the Water Department's Capital Improvement Project schedule approved by the City Council and support the ongoing operations and maintenance activities.

As a requirement of issuing Water Revenue Bonds, the Water Department maintains over \$19.5 million in reserves. An amount of \$14.5 million is allocated to the 45-day operating reserve and \$5.0 million for the Capital Improvements Program (CIP) Bond Issuance Reserve. The 45-day operating reserve can only be used for emergency situations resulting from a sudden and significant loss of revenue. If any funds are used from this reserve, they would have to be restored to the Reserve on at least an annual basis. The CIP Reserve is intended to provide for emergency capital needs in the event of the catastrophic failure of a major capital facility. Use of these funds would require City Council action to transfer to another CIP project for expenditure. The Unallocated Reserve totals \$2.3 million and is intended to provide for unanticipated operations and CIP needs that arise during the year. City Council action is required to use these funds. The Water Department

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also maintains a Secondary Purchase Reserve of \$10.4 million and is intended as an emergency reserve for the purchase of water in the event of a drought or other emergency that suddenly disrupts the normal supply of water. Excluding the 45-day Operating Reserve and the Unallocated Reserve, the Fiscal Year 2003 Water Department operating budget totals \$250.2 million, which includes \$4.5 million for contractual services with City forces, \$29.4 million in debt service requirements, \$3.0 million in General Government Services, and \$1.1 million in Right-of-Way fees, bringing the adjusted operating budget for Fiscal Year 2003 to \$212.2 million, all budget amounts are within the parameters of the City Council approved April, 2002 Water Rate Case.

### Metropolitan Wastewater

In the early 1990s, the Metropolitan Wastewater Department (MWWD) was created to focus on the maintenance, repair, upgrade and expansion of the Metropolitan Sewerage System (interceptors, treatment plants and outfalls). As the department neared the completion of these major upgrades, the capital improvement effort shifted to the Municipal System, which consists of nearly 3,000 miles of pipeline and 83 pump stations. Based on the recommendations contained in an optimization study, MWWD developed the "Accelerated Program" with the goal of reducing sewer spills from 10.3 to 6.6 spills per 100 miles of sewer pipelines by the end of Fiscal Year 2007. The Accelerated Program includes ramping up the rehabilitation and replacement of deteriorated pipelines from the current 15 to 20 miles per year to 60 miles per year by 2004 and addresses both operations and maintenance and capital improvement needs. The program also includes accelerated cleaning of the entire sewerage system by 2004.

MWWDs Annual Fiscal Year 2003 Budget includes the net addition of \$37.3 million and 84.00 positions, including reserves and debt service. These increases are mainly attributable to the following: a mid-year City Council-approved addition of \$5.6 million and 67.00 positions to expedite the cleaning of all City of San Diego municipal sewer pipelines during the next two years; addition of \$5.9 million and 5.00 positions to replace contractual service requirements at a reduced cost; \$2.4 million and 20.00 positions for sewer main repair and replacement; \$734,221 and 1.00 position for the improved maintenance of MWWD facilities; \$1.07 million for Wastewater Chemistry and Biology Lab/Ocean Operations support; \$380,806 and 5.00 positions for the Food Establishment Wastewater Discharge Permitting Program, \$282,991 and 1.00 position for a Geographic Information System project display system, and emergency services; and \$754,804 for the maintenance and procurement of flow meters for the metropolitan and municipal sewerage systems.

As a requirement of issuing Sewer Revenue Bonds, MWWD maintains over \$30 million in reserves. An amount of \$25.5 million is allocated to the 45 day operating reserve and \$5.0 million for the Capital Improvements Program (CIP) Bond Issuance Reserve. The 45 day operating reserve can only be used for emergency operating expenses and must be replenished immediately. The CIP reserve is used to fund emergency capital requirements and must not impair the City's ability to repay debt service requirements. The Unallocated Reserve totals \$4.3 million and may be used to fund both operating and capital project needs within the Sewer Fund. Excluding the 45-day Operating Reserve and the Unallocated Reserve, the Fiscal Year 2003 Metropolitan Wastewater operating budget totals \$279.7 million, which includes \$19.5 million for contractual services with

City forces, \$77.0 million in debt service requirements, \$3.7 million in General Governmental Services, and \$1.3 million in Right-of-Way fees, bringing the adjusted operating budget for Fiscal Year 2003 to \$178.1 million, which is within the parameters of the City Council approved October 2001 Sewer Rate Case.

### Development Services

The Annual Fiscal Year 2003 Budget for the Development Services Enterprise Fund includes a net increase of 9.00 positions and the addition of \$2.1 million. Development Services added 13.00 positions in order to comply with the Plan Processing and Review and the Building Inspection components of the Municipal Storm Water Permit. These costs will be offset by commensurate revenue from hourly billings on grading and subdivision permits. Development Services reduced 4.00 positions to bring costs in line with revenues available. The Development Services Enterprise Fund is established as a cost recovery, fee-for-service budget.

Fiscal Year 2002 total building valuation increased by 11 percent and the total number of dwelling units permitted was 7 percent higher compared to year end Fiscal Year 2001. For Fiscal Year 2002, 60 percent of total building valuation was residential and 40 percent was commercial.

### Environmental Services – Refuse Disposal and Recycling

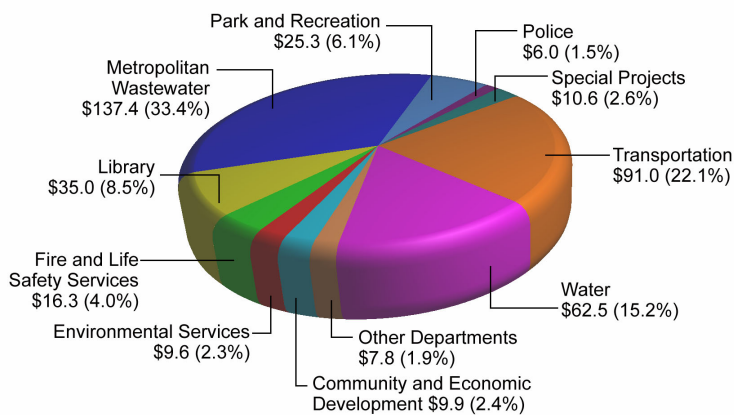
The Environmental Services Department's Annual Fiscal Year 2003 Enterprise Fund Budget includes a net increase of approximately \$2.5 million and 2.00 positions. The Annual Fiscal Year 2003 Budget for the Refuse Disposal Fund essentially remains the same as Fiscal Year 2002. Minor adjustments were made to maintain current service levels. The Environmental Services Department also maintains the Refuse Disposal Landfill Closure Reserve Fund. At the close of Fiscal Year 2002, the fund balance was \$22.8 million. This reserve fund is required by state law and accumulates interest earnings and annual contributions from the Refuse Disposal Fund to ensure that adequate monies are available to close Miramar Landfill at the end of its expected life and to finance any required post-closure activities. The Recycling Fund provides funding for curbside collection of greenery and recyclables, household hazardous waste programs, and public outreach through California State Assembly Bill 939 (AB 939) fees. The fee is authorized by state law, which also limits its use to these programs. Waste generated by the Navy and community events are exempt from AB 939 fees. With the exception of franchised haulers, AB 939 fees are collected from customers at Miramar Landfill. Franchised hauler AB 939 fees are collected in conjunction with their quarterly franchise fee payments. The Annual Fiscal Year 2003 Budget for the Recycling Fund includes increased funding to expand curbside recycling services Citywide. Employees in the Recycling Program lead efforts to achieve state mandated diversion rates at the Miramar Landfill.

# City Funds

## Capital Improvements Program

The Annual Fiscal Year 2003 Capital Improvements Program (CIP) Budget supports construction projects such as the development of parkland, the construction of a sewer pump plant, the acquisition of land for City use, the installation of a traffic signal or street lighting system, or the construction or remodeling of a City facility. These monies are derived from sources such as sewer and water fees, a half-cent local sales tax for transportation improvements (TransNet), development impact fees, state and federal grants, and/or the issuance of bonds for very large projects.

**Total CIP Budget**  
**Fiscal Year 2003 Budget – \$411.4 Million**  
**(In Millions)**



The Annual Fiscal Year 2003 CIP Budget totals \$411,400,421, which represents a decrease of \$271,228,404 or 39.73 percent from the Annual Fiscal Year 2002 Capital Improvements Program Budget of \$682,628,825. The CIP reduction is largely the result of a decrease in \$272.5 million from the Ballpark Project, combined with smaller decreases in the Transportation and Water Capital Improvements Programs, and an increase in the Metropolitan Wastewater Capital Improvements Program. Sewer and water projects comprise over 48.8 percent of the total CIP Budget.

Several of the larger projects within the City's CIP are phase funded, whereby large projects may be budgeted, appropriated, and contracted for in an efficient manner that maximizes the City's use of available funds. This has allowed the City to better match revenue flows with actual expenditure plans.

The majority of the City's CIP projects include a component to meet the requirements for the Americans with Disabilities Act (ADA). ADA compliance requirements are included in several projects such as water and sewer pipeline replacements, pump stations, street resurfacing, architectural barrier removal (such as curb cuts), sidewalk improvements, and tot lots. A major ADA improvement was completed at QUALCOMM Stadium during Fiscal Year 2002.

Highlights of the Annual Fiscal Year 2003 Capital Improvements Program budget are listed below for each department.

## Community and Economic Development

The Annual Fiscal Year 2003 CIP Budget for the Community and Economic Development Department is \$9.9 million, of which \$3.2 million in TransNet and Surface Transportation Program funding is for the accelerated Mid-City Transit Gateways project and \$1.5 million in Community Development Block Grants funding is allocated toward citywide architectural barrier removal.

## Environmental Services

The Annual Fiscal Year 2003 CIP Budget for the Environmental Services Department is \$9.6 million. This amount includes:

- \$2.4 million funded by the Refuse Disposal Enterprise Fund for the unclassified disposal site closure annual allocation
- \$2.1 million funded by the Refuse Disposal Enterprise Fund for Phase Two of the West Miramar Refuse Disposal Facility Project
- \$2.0 million funded by the Refuse Disposal Enterprise Fund for the new Chollas Landfill Photovoltaic Project
- \$1.1 million funded by the Water Enterprise Fund for the new Aquifer Protection Program
- \$1.0 million funded by the Refuse Disposal Enterprise Fund for the future landfill and transfer facility

## Fire and Life Safety Services

The Annual Fiscal Year 2003 CIP Budget for the Fire and Life Safety Services Department is \$16.3 million, most of which is funded through the Fire and Life Safety Services Facility Improvement Program. Some of the Fire projects to receive funding in Fiscal Year 2003 are:

- \$3.5 million funded by Facilities Benefit Assessment and Planned Urbanizing Development Impact Fees for Fire Station #46, which will serve Black Mountain Ranch and Torrey Highlands
- \$1.2 million funded by Otay Mesa Facilities Benefit Assessment for the construction of Fire Station #6, which will serve the Otay Mesa and Otay Mesa/Nestor communities
- \$80,000 funded by the City's General Fund for preliminary design of the Regional Public Safety Training Institute (PSTI)

In addition to these budgeted items, the City Council approved Ordinance O-19054 and Resolution R-296359 in April 2002. These actions authorized a joint financing plan for Fire and Lifeguard facilities. The total project cost of the Fire Facility Improvement Program increased as a result of compliance with the Leadership in Energy Environmental Design (LEED) "Silver" standard, additional Americans with Disabilities Act (ADA) requirements, and other total project cost adjustments. These actions also authorized the use of bond proceeds to fund the Fire and Lifeguard Facility Improvement Program.

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The program projects are scheduled to be complete by Fiscal Year 2006. The following table summarizes the total cost of the 22 projects within the facility improvement program:

<b>FIRE AND LIFE SAFETY SERVICES FACILITY IMPROVEMENT PROGRAM</b>		
<b>CIP Number</b>	<b>Project Title</b>	<b>Total Project Cost</b>
33-093.0	Fire Station # 1 – Downtown Asbestos Removal and Renovation	\$2,755,704
33-090.0	Fire Station # 2 – Central Mission Valley	5,022,075
33-104.0	Fire Station # 5 – Hillcrest	2,406,221
33-081.0	Fire Station #12 – Lincoln Park	2,911,566
33-080.0	Fire Station #17 – Mid-City	2,096,174
33-102.0	Fire Station #22 – Point Loma Reconstruction	1,180,083
33-103.0	Fire Station #29 – San Ysidro	3,993,308
33-088.0	Fire Station #31 – Del Cerro Relocation and New Construction	2,186,900
33-089.0	Fire Station #32 – Skyline	3,332,535
33-091.0	Fire Station #54 – Paradise Hills	3,112,494
33-098.0	Fire Station Major Component Replacement and Rehabilitation	4,250,000
33-069.0	Kearny Mesa Maintenance and Materiel Complex	962,274
29-494.0	Children's Pool – Lifeguard Station and Restroom Improvements	643,124
33-505.0	La Jolla Cove Lifeguard Station	481,309
33-503.0	La Jolla Shores Lifeguard Station	1,252,478
33-508.0	Lifeguard Headquarters and Boating Safety Unit Dock (excludes \$3.0 million in unidentified funding)	2,300,000
33-507.0	Mission Beach Lifeguard Station	428,332
33-502.0	North Pacific Beach Lifeguard Station	1,231,749
33-506.0	Ocean Beach Lifeguard Station	469,653
33-509.0	Old Mission Beach Lifeguard Station (excludes \$2.5 million in unidentified funding)	1,000,000
29-473.0	Pacific Beach Lifeguard Tower and Grand Avenue Restroom	1,989,431
33-504.0	South Mission Beach Lifeguard Station	1,140,454
<b>TOTAL</b>		<b>\$45,145,864</b>

## General Services

The Annual Fiscal Year 2003 CIP Budget for the General Services Department is \$2.1 million: \$1.6 million funded by a federal grant for the Beach Area Sewage Interception/Low Flow Storm Drain Diversion and \$500,000 funded by a state grant for San Diego River Water Quality Improvements.

## Library

The Annual Fiscal Year 2003 CIP Budget for the Library Department is \$35.0 million, including anticipated state, federal, local, and private funding. Some key allocations include:

- \$14.5 million funded by a State Proposition 14 grant, the Redevelopment Agency, and Development Impact Fees for the San Ysidro Branch Library
- \$8.2 million funded by a State Proposition 14 grant and a Housing and Urban Development (HUD) Section 108 Loan for the Logan Heights Branch Library
- \$3.7 million funded by private contribution for the La Jolla/Riford Library Expansion
- \$3.6 million funded by a HUD Section 108 loan for the College Heights/Rolando Branch Library
- \$2.1 million funded by a HUD Section 108 loan for the Ocean Beach Branch Library
- \$1.5 million funded by private contributions for the Skyline Hills Branch Library
- \$538,500 funded by Community Development Block Grant, Development Impact Fee, Capital Outlay, and a Deferred Maintenance Fund for the Otay Mesa/Nestor Branch Library Expansion
- \$500,000 funded by private contributions for the Point Loma Branch Library

## Metropolitan Wastewater

The Annual Fiscal Year 2003 CIP Budget for the Metropolitan Wastewater Department is \$137.4 million, funded by the Municipal and Metropolitan Sewer Enterprise Funds. This amount includes several key allocations, including:

- \$20.6 million for the Wet Weather Storage Facility project
- \$12.2 million for Pipeline Rehabilitation in the Right-of-Way - Phase A
- \$11.4 million for the North City Water Reclamation Plant (NCWRP) Permanent Demineralization Facility - Phase I
- \$9.5 million for Otay Mesa Trunk Sewer
- \$7.1 million for the annual allocation for sewer pump station restorations
- \$7.9 million for the annual allocation for sewer main replacements
- \$6.5 million for the Wastewater Operations Communications Management Network

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- \$6.0 million for the annual allocation for trunk sewer rehabilitations
- \$4.9 million for Phase Two of the expansion of the Metropolitan Operations Center
- \$4.8 million for the Brine Management Force Main and Pump Station
- \$1.9 million for the Environmental Monitoring and Technical Services Laboratory

In addition, \$28.6 million is planned for phase-funded contracts within existing projects. These contracts are not included in the annual budget, but they will be appropriated during Fiscal Year 2003 as part of the Metropolitan Wastewater Department's cash management process:

- \$17.9 million for the annual allocation for sewer main replacements
- \$6.9 million for the first phase of the Environmental Monitoring and Technical Services Laboratory
- \$3.2 million for Sewer Pump Station 27
- \$586,620 for the South Mission Valley Trunk Sewer

## Park and Recreation

The Annual Fiscal Year 2003 CIP Budget for the Park and Recreation Department is \$25.3 million, including \$5.8 million in state grant funding for various park and recreation projects. Some of the projects receiving funding in Fiscal Year 2003 are:

- \$2.7 million funded by Facilities Benefit Assessment for the Camino Ruiz Neighborhood Park
- \$2.0 million funded by developer contributions for Torrey Highlands Neighborhood Park South
- \$1.7 million funded by Western Otay Mesa Facilities Benefit Assessment for the Ocean View Hills Community Park
- \$1.6 million funded by Facilities Benefit Assessment for Del Mar Mesa Neighborhood Park
- \$1.6 million funded by Facilities Benefit Assessment for Winterwood Lane (Christa McAuliffe) Community Park Recreation Building and Pool
- \$1.5 million funded by developer contributions and Facilities Benefit Assessment for Dennery Ranch Neighborhood Park acquisition and construction
- \$1.4 million funded by the City's General Fund for Park and Recreation Grant Match Funding
- \$1.3 million funded by a state grant for Mid-City Parkland Acquisition
- \$975,000 funded by state funding for the Balboa Park Parking Structure
- \$950,000 funded by Golf Course Enterprise Fund for Torrey Pines Golf Course Reconstruction of Eighteen Holes on the North Course

- \$500,000 funded by Facilities Benefit Assessment for Carmel Valley Community Park South - Neighborhood #8A
- \$445,200 funded by a state grant and a public/private partnership for Pacific Beach Elementary School - Joint Use Improvements
- \$387,500 funded by Facilities Benefit Assessment for Vista Pacifica (Robinhood Ridge) Neighborhood Park acquisition and development
- \$296,000 funded by a state grant and Park and Recreation Grant Matching funds for Peñasquitos Creek Restoration
- \$140,000 funded by the Gas Tax Fund for Mission Beach Boardwalk Widening

### Police

The Annual Fiscal Year 2003 CIP Budget for the Police Department is \$6.0 million, of which \$5.0 million is for Police Decentralization. The remaining funding is \$514,160 for the Police Crime Laboratory Extension, \$373,500 for the proposed Northwestern Area Police Station and Community Service Center, and \$80,000 for the Regional Public Safety Training Institute (PSTI).

### Real Estate Assets

The Annual Fiscal Year 2003 CIP Budget for the Real Estate Assets Department is \$1.3 million funded by the Airport Enterprise Fund, of which \$900,000 is for heliport relocation at Montgomery Field and \$400,000 is for the annual allocation for Montgomery and Brown Airports.

### Special Projects

The Annual Fiscal Year 2003 CIP Budget for Special Projects is \$10.6 million. The budget consists of two major Citywide projects: the Ballpark and the New Main Library. The Fiscal Year 2003 allocation is \$3.4 million for the Ballpark and \$7.2 million for the New Main Library.

### Transportation

The Annual Fiscal Year 2003 CIP Budget for the Transportation Department is \$91.0 million, including the following projects:

- \$9.5 million funded by TransNet and the Highway Bridge Repair and Replacement Fund for the North Torrey Pines Road Bridge over Peñasquitos Creek
- \$4.4 million funded by TransNet and the Highway Bridge Repair and Replacement Fund for the West Mission Bay Drive Bridge over the San Diego River
- \$3.9 million funded by Facilities Benefit Assessment for construction of and improvements along Camino Ruiz
- \$3.3 million funded by Facilities Benefit Assessment and private contributions for improvements to Judicial Drive from Golden Haven Drive to Eastgate Mall

# City Funds

- \$3.0 million funded by Facilities Benefit Assessment for improvements along Miramar Road between Interstate 805 to Eastgate Mall
- \$2.5 million in State and Federal grants for the Interstate 5/State Route 56 North Freeway Connectors
- \$2.1 million funded by a Surface Transportation Program grant, Development Impact Fee, and private contributions for improvements to State Route 163 and Friars Road
- \$2.0 million funded by a Congestion Mitigation Air Quality grant and Proposition A for the State Route 15 Bikeway project
- \$1.2 million funded by a Congestion Mitigation Air Quality grant for the Bayshore Bikeway project
- \$1.2 million funded by the Metropolitan Transit Development Board for realigning Alvarado Canyon Road
- \$1.0 million funded by TransNet for resurfacing and slurry sealing of City streets
- \$570,000 funded by the TransNet Infrastructure Fund and Community Development Block Grants for conversion of City street lights from low to high pressure sodium

## Water

The Annual Fiscal Year 2003 CIP Budget for the Water Department is \$62.5 million and is funded entirely by the Water Enterprise Fund. The following projects are programmed for Fiscal Year 2003, according to the revised water rate structure, adopted on April 30, 2002 per Resolution R-296437:

- \$10.8 million for improvements at Alvarado Water Treatment Plant, including the Earl Thomas Reservoir and Phase Two Upgrade and Expansion
- \$10.0 million for replacing water mains citywide
- \$8.7 million for upgrade and expansion of the Miramar Water Treatment Plant
- \$3.2 million for improvements to various lakes and docks
- \$2.5 million for rehabilitation of water pump stations
- \$2.1 million for improvements to the Otay Second Pipeline
- \$1.6 million for mass grading and storage at the Otay Water Treatment Plant
- \$1.4 million for replacement of the Torrey Pines Road/La Jolla Boulevard Water Main
- \$1.2 million for the Black Mountain Road Pipeline
- \$930,048 for upgrades to the Pressure Reduction Facility
- \$916,733 for rehabilitation of the Rancho Bernardo Reservoir
- \$813,311 for upgrades to the Black Mountain Reservoir

In addition, \$26.1 million is planned for phase-funded contracts within existing projects. These contracts are not included in the proposed annual budget, but they will be appropriated during Fiscal Year 2003 as part of the Water Department's cash management process:

- \$6.1 million for CIP Program Management
- \$4.7 million for the upgrade and expansion of the Miramar Water Treatment Plant
- \$4.3 million for North City Reclamation System
- \$3.1 million for the Black Mountain Road Pipeline
- \$3.0 million for the second phase of the Alvarado Water Treatment Plant
- \$2.6 million for South San Diego Pipeline Number 2
- \$962,097 for the Earl Thomas Reservoir at Alvarado
- \$785,675 for San Pasqual Water Reclamation System
- \$300,000 for upgrades to the Waring Road Pump Station
- \$300,000 for the second phase of the Otay Water Treatment Plant

## Special Revenue Funds

Special Revenue Funds account for revenues that are received for specifically identified purposes. Examples include TransNet, Gas Tax, and Transient Occupancy Tax Funds. The Annual Fiscal Year 2003 Budget for Special Revenue Funds is \$288.4 million.

### Gas Tax

The Annual Fiscal Year 2003 Gas Tax Budget is \$25.7 million and includes a net increase of \$2.4 million. Additions to the Annual Fiscal Year 2003 Budget include a \$2.3 million transfer from the TransNet Fund for the Transportation Department/Street Division for right-of-way maintenance including street maintenance services; and \$140,000 for the Mission Beach Boardwalk Widening Capital Improvements Program.

The Gas Tax Fund is a result of a combination of laws that tax the use of gasoline. The current total tax on fuel is \$0.18 per gallon. The City of San Diego's share of Gas Tax revenue is based on a formula using vehicle registration, assessed valuation and population. The funding generated is used to perform citywide repairs and restoration to existing roadways, reduce congestion, improve safety and provide for the construction of needed facilities within the public rights-of-way.

### TransNet

The Annual Fiscal Year 2003 Proposed TransNet Budget is \$59.5 million and includes a net increase of \$31.1 million. Additions to the Annual Fiscal Year 2003 Budget include \$32.6 million of Commercial Paper funded capital improvement projects; \$497,365 for street median maintenance of the Park and Recreation Department; \$250,822 for the Transportation Demand Management Program in the Planning Department; and a (\$2.3 million) transfer to the Gas Tax Fund for the Transportation Department/Street Division for street maintenance services.

# City Funds

On November 7, 1987, voters in the County of San Diego approved the San Diego Transportation Improvement Program (TransNet), which allowed for a half-cent increase in the local sales tax (Proposition A). The term of this program is for 20 years, ending in 2008. The City of San Diego's share of TransNet revenue is based on population and the number of local street and road miles maintained. The funds generated are used to perform citywide transportation improvements such as the repair and restoration of existing roadways and construction of needed facilities within the public rights-of-way. Through a cooperative effort with the San Diego Association of Governments (SANDAG), the City of San Diego is able to manage the fund so that the most pressing transportation problems are solved.

## Debt Service Funds

Debt Service Funds are used for the payment of principal and interest on an obligation resulting from the issuance of bonds. The Annual Fiscal Year 2003 Budget includes \$7.4 million for Debt Service Funds for financing the cost of capital improvements and for maintenance of zoological exhibits in Balboa Park.

## Tax Funds

Tax Funds contain monies that are borrowed from the sale of Tax Anticipation Notes (TANS) on a short-term basis to meet the cash requirements of the City prior to the receipt of property taxes. Related costs are budgeted in the fund and are offset by interest earnings realized. The Annual Fiscal Year 2003 Budget includes \$3.6 million for Tax Funds.

## Business Improvement District Funds

Business Improvement District Funds are established by City Ordinance. Special assessments are levied upon business owners within a district with specifically defined boundaries. These assessments finance improvements within the district such as providing additional parking spaces for visitors to the district, making shopping areas more aesthetically pleasing, and scheduling recreational activities which promote the district.

## Maintenance Assessment District Funds

Maintenance Assessment District Funds are legal mechanisms by which property owners within a specified district can vote to assess themselves to pay for and receive special benefit services for the purpose of financing maintenance of open space, street medians, rights-of-way, and in some areas, mini-parks, street lighting, security, flood control, and drainage.